

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Resolution T-17321 Revises General Order 153 to reflect revisions to the California LifeLine Program as adopted in Decision 10-11-033

Agenda ID #10483  
July 14, 2011 Meeting

**Reply Comments Of Cox California Telcom, LLC On Draft Resolution T-17321**

Pursuant to the Commission’s Rules of Practice and Procedure (“Rules”) and the Notice of Availability for Draft Resolution T-17321, Cox California Telcom, L.L.C., *dba* Cox Communications (U-5684-C) (“Cox”) submits these timely reply comments on draft Resolution T-17321 (“Draft Resolution”) which includes as Attachment A1, a revised General Order 153 (“Proposed GO 153”). The rules included the Proposed GO 153 will be referred to as “Proposed Section.”

**I. Cox Recommends That The Commission Adopt Certain Proposed Changes Included In Opening Comments.**

**Proposed Sections 9.3.4 and 9.3.6.** By way of background, under the FCC rules, reimbursement for the EUCL charge, as applicable, is identified as Tier 1 support.<sup>1</sup> Proposed Section 9.3.4 includes two sentences and addresses recovery by Non-ETCs of EUCL charges from the California Lifeline fund prior to December 31, 2012. The first sentence acknowledges that “non-ETCs” may collect the federal EUCL, but such amount is limited to the ILEC’s EUCL rate. The second sentence then states that a “California Lifeline Service Provider” may not collect an EUCL charge for its subscribers first line from the California LifeLine Fund. Verizon comments that this second sentence may lead new ETCs to question whether they may recover the waived EUCL from the California Lifeline Fund. Cox acknowledges the potential confusion identified by Verizon, but recommends the Commission adopt a revision different from the one proposed by Verizon, so that there is one rule describing what non-ETCs may recover prior to January 1, 2013 from the California LifeLine Fund and what amounts California LifeLine Service Providers may collect as of January 1, 2013 from the California LifeLine Fund.<sup>2</sup>

Proposed Section 9.3.6 also addresses non-ETCs recovering, until December 31, 2012, amounts from the California Lifeline Fund that ETCs recover from the federal Lifeline fund.

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<sup>1</sup> 47 C.F.R. § 54.403(a)(1). This rule states “(1) *Tier One*. The tariffed rate in effect for the primary residential End User Common Line charge of the incumbent local exchange carrier serving the area in which the qualifying low-income consumer receives service, as determined in accordance with § 69.104 or §§ 69.152(d)(1) and 69.152(q) of this chapter, whichever is applicable.”

<sup>2</sup> Cox recommends a different recommendation in part because Verizon’s proposal could also add confusion in the future in that it would add “Non-ETCs” to the second sentence of Proposed Section 9.3.4, which could be interpreted to mean that ETCs could recover the federal EUCL amount from the California Lifeline Fund.

Specifically, this Proposed Section states that non-ETCs may collect federal basic rate subsidy (Tiers 2-3) from the California Lifeline Fund until December 31, 2012. Because Proposed Sections 9.3.4 and 9.3.6 both address amounts available from the federal fund by Non-ETCs prior to December 31, 2012, Cox recommends that the Commission combine them into Section 9.3.4 and delete Proposed Section 9.3.6:

9.3.4 Until December 31, 2012, the federal EUCL charge (Tier 1) and the federal basic rate subsidy (Tiers 2-3) can be claimed by non-ETCs from the California LifeLine Fund. Except as set forth in Sections 9.3.1 and 9.3.4.1, California LifeLine Service Providers will not be able to claim these federal reimbursements from the California LifeLine Fund after December 31, 2012 pursuant to Section 9.4.11.

9.3.4.1 Beginning January 1, 2013, California LifeLine Service Providers may recover the federal EUCL charge (Tier 1) from the California LifeLine Fund for the second line of Subscribers who qualify for a second line under Section 4.2.3; California LifeLine Service Providers may not recover from the California Lifeline Line for the federal EUCL charge for the first line of those Subscribers.

In the proposal above for Section 9.3.4 above, Cox added two exceptions – the references to 9.3.1 and 9.3.4.1 – to address what California LifeLine Service Providers may recover from the California Lifeline Fund when such support is not available from the federal Lifeline fund. The reference to Section 9.3.4.1 is explained above and refers to the EUCL charge on second lines that California LifeLine Service Providers are required to provide as part of the California Lifeline Program.

With respect to the reference to Section 9.3.1, Cox recommended in its opening comments that the Commission document the “roommate rule” to make clear that if California LifeLine Service Providers serve multiple Subscribers at the same physical address and they cannot recover federal support for accounts in excess of the first one, then the California Lifeline Service Provider may recover for those other Subscribers from the California LifeLine Fund. Specifically Cox recommended that Proposed Section 9.3.1 be revised as follows:

9.3.1 Lost revenues caused by providing subscribers with (i) California LifeLine Service Connection Charges, (ii) California LifeLine Service Conversion Charges, (iii) California LifeLine Measure Rate Service; and (iv) California LifeLine Service where there is more than one Subscriber at a given physical address and support for such additional Subscribers is not recoverable from the federal LifeLine program.

Section 9.3.1(iii) addresses amounts California LifeLine Service Providers may recover from the California LifeLine Fund when corresponding federal support is not available, and

therefore, that support will be available after December 31, 2012, and should not be eliminated as of that date.

Cox recommends that the Commission adopt the proposed revisions above to streamline the rules and provide guidance to all interested parties with regard to the amount available for recovery by California LifeLine Service Providers from the California LifeLine Fund on a going-forward basis. In adopting this proposal, remaining sections in Section 9.3 would need to be re-numbered accordingly, and sections references to those subsections would also need to be updated.<sup>3</sup>

**Proposed Section 8.6.** Proposed Section 8.6 requires California LifeLine Service Providers to “show all reductions, or its equivalent” on Subscribers’ bills. In response, SureWest, the Small LECs and Verizon raise important issues which the Commission should address. For example, SureWest and the Small LECs correctly note that California Public Utilities Code, Section 879(c) prohibits surcharges on LifeLine service rates, and thereby, it would be inconsistent to show a reduction of an amount that cannot be included.<sup>4</sup> Additionally, Verizon makes two important comments on this rule. First, Verizon correctly points out that this proposed section should clarify that “or its equivalent” allows California LifeLine Service Providers to show a Lifeline rate that imputes all rate reductions resulting from federal and State support. Second, Verizon notes that the disclosure requirement extends to rate reductions only and does not apply to other charges, such as taxes and waived fees.<sup>5</sup> Cox agrees with these comments.

For example, Verizon correctly notes that most California LifeLine Service Providers do not currently show the basic rate on Subscriber’s bills; nor do they include waived taxes and surcharges on Subscribers’ bills today. To now include those amounts in Subscribers’ bills would require significant re-design and IT work, which carriers should not be required to undertake since there are other ways to describe the Lifeline discount. Moreover, it is not required under the LifeLine Decision which allows for the equivalent of reductions to be included. Further, Cox understands that “or its equivalent” language would allow a California LifeLine Service Provider to include a monthly bill message stating the amount of discount received on the basic telephone service as part of the California LifeLine program.

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<sup>3</sup> See Proposed Sections 9.2.2 and 9.2.1.1.

<sup>4</sup> SureWest and Small LECs Opening Comments, p. 2. While these comments refer to PU Code Section 876(c), Cox understand the reference should be to Section 879(c).

<sup>5</sup> Verizon Opening Comments, p. 4.

Since the Commission will not vote on the Draft Resolution until July 14, 2011, at the earliest, Cox also proposes that the requirement to submit a sample bill to the Public Advisor by August 31, 2011, instead of July 2011. Cox strongly recommends that the Commission adopt the following revisions to Proposed Section 8.6:

8.6 No later than January 1, 2012, California LifeLine Service Providers shall specifically show all reductions, or its equivalent, on the California LifeLine subscriber's bill.

8.6.1 If reductions are not shown as separate line items, California LifeLine Service Providers shall provide a revised sample bill format to the Public Advisor that includes a section showing the discounts being provided to the customer by ~~July~~ August 31, 2011.

8.6.2 California LifeLine Service Providers must, at a minimum, delineate the LifeLine reductions on subscriber's bills in a manner discernible by the public, which may include, but is not necessarily limited to, a bill message or including a Lifeline rate that imputes all rate reductions resulting from federal and State support.

8.6.3 The requirement to show reductions under this Section 8.6 does not apply to taxes and/or fees waived for Subscribers with respect to California Lifeline.

Cox submits these revisions are reasonable and should be adopted in that they do not modify the requirement but provide clarity to California LifeLine Service Providers.

**Billing Customer Deemed Ineligible Per An Audit.** As AT&T points out, Proposed Section 5.7.2 would modify existing Section 5.8.2 with respect to backbilling a customer who is deemed ineligible as a result of an audit. Proposed Section 5.7.2 would require the California LifeLine Service Provider to bill such customer, whereas under the existing rules, the Commission bills the ineligible subscriber for amounts it should not have received. Cox agrees with AT&T that the Commission is the only entity that would be able to backbill the customer.<sup>6</sup> Further, the LifeLine Decision does not require this change, and therefore, Cox also urges the Commission to retain the existing rule.

**Proposed Section 4.6.2.3.** AT&T highlights text in Proposed Section 4.6.2.3 that is not consistent with other proposed sections.<sup>7</sup> Specifically, Proposed Section 4.6.2.3 would require California LifeLine Service Providers to inform applicants that they may receive forms and instructions in the language of sale. AT&T points out that the current practice and Proposed Sections 4.6.2.1 and 4.6.2.1 is for notices and assistance via service representatives to be

<sup>6</sup> AT&T Opening Comments, p. 3.  
<sup>7</sup> Id.

available in-language. Cox agrees and noted in its opening comments that D.07-07-043 also requires forms and instructions to be provided in the language in which they are sold. Cox supports AT&T's revision to Proposed Section 4.6.2.3 and submits it is consistent with Cox's proposal for Proposed Section 4.6.2 to include a reference D.07-07-043.<sup>8</sup>

**Definition of Basic Service and LifeLine Service.** AT&T comments that Proposed Section 2.7, definition of Basic Residential Telephone Service (i.e. "Basic Service"), incorrectly states that Appendix A sets for the elements of Basic Service. AT&T correctly points out that the Appendix A describes the elements for California Lifeline service which includes service elements not included in the current definition of Basic Service, adopted in D.96-10-066. Cox agrees with AT&T's proposal to eliminate the reference to Appendix A in Proposed Section 2.7.

## **II. Conclusion.**

Parties submitted a wide-range of revisions to the Proposed GO 153, many of which are not related to the Commission implementing the Lifeline Decision in that they address issues that will or could be addressed in R.11-03-013. Cox recommends that the Commission adopt proposed changes to the Draft Resolution that are necessary to implement the Lifeline Decision and that otherwise make administrative changes.<sup>9</sup> As set forth in these comments and its opening comments, Cox respectfully requests that the Commission adopt the proposed revisions below so that the final Resolution adopted will be accurate and provide clear guidance to interested and affected parties.

- Proposed Section 2.7 – Definition of "Basic Residential Telephone Service;"
- Proposed Section 2.38 – Definition of "Non-Traditional Carrier;"
- Proposed Sections 2.43 and 2.44 – Definitions of Renewal Form;
- Proposed Section 2.49 – Definition of "Service Start Date;"
- Proposed Section 4.6.2 and 4.6.2.3 – In-language requirements;
- Proposed Section 5.7.2 – Billing ineligible customers
- Proposed Section 5.7.1.1 and 5.7.1.2 – Disclosure requirements;
- Proposed Sections 7.4 and 8.3 – Other Services;
- Proposed Section 8.6 – Bill format for Lifeline Subscribers;
- Proposed Sections 9.2.1 and 9.2.1.1 – Correct typographical errors;
- Proposed Sections 9.3.4 and 9.3.6 – Recovery from federal LifeLine fund;
- Proposed Section 9.3.1 – Roommate rule; and
- Proposed Section 9.3.13 – Administrative Costs.

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<sup>8</sup> See Cox Opening Comments, p. 7.

<sup>9</sup> See Draft Resolution, p. 1.

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/s

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cc: Service List attached to Notice of Availability for Draft Resolution T-17321